

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|------------------------------------|---|-----------------|
| THE APPLICATION AND NOTICE OF |) | |
| BOONESBORO WATER ASSOCIATION, INC. |) | CASE NO. 91-413 |
| FOR AN ADJUSTMENT OF WATER RATES |) | |

O R D E R

On November 15, 1991, Boonesboro Water Association, Inc. ("Boonesboro") filed an application for Commission approval of a proposed increase in its rates for water service. Boonesboro's proposed rates for water service would generate additional annual revenues of \$60,757, an increase of 20 percent.

In January 1992 the Commission Staff conducted a limited financial review of Boonesboro's test-period financial records. Based upon this review, Commission Staff issued a report on April 14, 1992 recommending a \$59,161 increase in Boonesboro's annual operating revenues for water service.

By Order dated April 14, 1992, the Commission advised Boonesboro that comments on the Staff Report or a request for a public hearing must be submitted no later than April 29, 1992, or this case would stand submitted to the Commission for decision. Boonesboro accepted the Staff Report and waived its right to a hearing by letter dated April 28, 1992.

The Commission, after consideration of the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, which is attached hereto and incorporated herein, are the fair, just, and reasonable rates for Boonesboro and will produce gross annual revenues of \$371,371 for water service. These rates will allow Boonesboro sufficient revenues to meet its operating expenses, and provide for future equity growth, including provisions for servicing its debts.

3. The rates proposed by Boonesboro would produce revenue increases in excess of that found reasonable herein and should be denied upon application of KRS 278.030.

IT IS THEREFORE ORDERED that:


1. The rates proposed by Boonesboro in its application are hereby denied.

2. The rates in Appendix A are approved for service rendered by Boonesboro on and after the date of this Order.

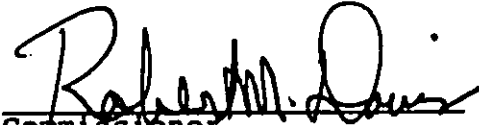
3. Within 30 days of the date of this Order, Boonesboro shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 13th day of May, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-413 DATED MAY 13, 1992

The following rates and charges are prescribed for the customers in the area served by Boonesboro Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

5/8 Inch x 3/4 Inch Meters

Rate

| | |
|---------------------|------------------------|
| First 1,000 gallons | \$11.07 Minimum bill |
| Over 1,000 gallons | 2.10 per 1,000 gallons |

1 Inch Meters

| | |
|----------------------|------------------------|
| First 10,000 gallons | \$29.97 Minimum Bill |
| Over 10,000 gallons | 2.10 per 1,000 gallons |

1 1/2 Inch Meters

| | |
|----------------------|------------------------|
| First 30,000 gallons | \$71.99 Minimum Bill |
| Over 30,000 gallons | 2.10 per 1,000 gallons |

2 Inch Meters

| | |
|----------------------|------------------------|
| First 50,000 gallons | \$114.01 Minimum Bill |
| Over 50,000 gallons | 2.10 per 1,000 gallons |

3 Inch Meters

| | |
|----------------------|------------------------|
| Connection Fee | \$5,132.00 |
| First 75,000 gallons | 166.47 Minimum Bill |
| Over 75,000 gallons | 2.10 Per 1,000 gallons |

Trailer Park

| | |
|-----------------------|-------------------------|
| First 180,000 gallons | \$1,992.79 Minimum Bill |
| Over 180,000 gallons | 2.10 per 1,000 gallons |